

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 2
FOR THE REGULAR MEETING OF
TUESDAY, AUGUST 8, 2006 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

**ADOPTION AGENDA, CONSENT ITEMS
RESOLUTIONS:**

* ITEM-S500: FY 2007 Agreements with Self-Managed Maintenance Assessment Districts.

(Centre City, City Heights, College Heights, Ocean Beach, North Park, and
Southeastern Community Areas. Districts 2, 3, 7, and 8.)

STAFF’S RECOMMENDATION:

Adopt the following resolution:

(R-2007-122)

Authorizing the Mayor to execute a Maintenance Agreement (Maintenance Agreement) with the Adams Avenue Business Association for administration of Contracts for Goods and Contracts for Services for the Adams Avenue Maintenance Assessment District for a one year period beginning July 1, 2006 through June 30, 2007, in accordance with the San Diego Municipal Code Section 65.0212. A copy of the Maintenance Agreement for the Adams Avenue Maintenance Assessment District is on file in the Office of the City Clerk;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$7,530 from Fund No. 70247, for administrative costs incurred by the Adams Avenue Business Association in the course of providing services under the Maintenance Agreement for the Adams Avenue Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S500: (Continued)

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$3,500 from Fund No. 70247 to Fund No. 70267, for administrative costs incurred by the City of San Diego (City) in the course of providing administrative services to the Adams Avenue Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the Mayor to execute a Maintenance Agreement with the Central Commercial District Revitalization Corporation for administration of Contracts for Goods and Contracts for Services for the Central Commercial Maintenance Assessment District for a one year period beginning July 1, 2006 through June 30, 2007, in accordance with the San Diego Municipal Code Section 65.0212. A copy of the Maintenance Agreement for the Central Commercial Maintenance Assessment District is on file in the Office of the City Clerk;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$32,780 from Fund No. 70260, for administrative costs incurred by the Central Commercial District Revitalization Corporation in the course of providing services under the Maintenance Agreement for the Central Commercial Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$8,741 from Fund No. 70260 to Fund No. 70267, for administrative costs incurred by the City in the course of providing administrative services to the Central Commercial Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the Mayor to execute a Maintenance Agreement with the City Heights Business Association for administration of Contracts for Goods and Contracts for Services for the City Heights Maintenance Assessment District for a one year period beginning July 1, 2006 through June 30, 2007, in accordance with the San Diego Municipal Code Section 65.0212. A copy of the Maintenance Agreement for the City Heights Maintenance Assessment District is on file in the Office of the City Clerk;

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S500: (Continued)

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$45,314 from Fund No. 70268, for administrative costs incurred by the City Heights Business Association in the course of providing services under the Maintenance Agreement for the City Heights Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$12,084 from Fund No. 70268 to Fund No. 70267, for administrative costs incurred by the City in the course of providing administrative services to the City Heights Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the Mayor to execute a Maintenance Agreement with the College Area Economic Development Corporation, for administration of Contracts for Goods and Contracts for Services for the College Heights Maintenance Assessment District for a one year period beginning July 1, 2006 through June 30, 2007, in accordance with the San Diego Municipal Code Section 65.0212. A copy of the Maintenance Agreement for the College Heights Maintenance Assessment District is on file in the Office of the City Clerk;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$41,128 from Fund No. 70266, for administrative costs incurred by the College Area Economic Development Corporation in the course of providing services under the Maintenance Agreement for the College Heights Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$10,968 from Fund No. 70266 to Fund No. 70267, for administrative costs incurred by the City in the course of providing administrative services to the College Heights Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S500: (Continued)

Authorizing the Mayor to execute a Maintenance Agreement with the Little Italy Association for administration of Contracts for Goods and Contracts for Services for the Little Italy Maintenance Assessment District for a one year period beginning July 1, 2006 through June 30, 2007, in accordance with the San Diego Municipal Code Section 65.0212. A copy of the Maintenance Agreement for the Little Italy Maintenance Assessment District is on file in the Office of the City Clerk;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$100,132 from Fund No. 70261 for administrative costs incurred by the Little Italy Association in the course of providing services under the Maintenance Agreement for the Little Italy Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$26,702 from Fund No. 70261 to Fund No. 70267, for administrative costs incurred by the City in the course of providing administrative services to the Little Italy Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the Mayor to execute a Maintenance Agreement with the Ocean Beach Main Street Association for administration of Contracts for Goods and Contracts for Services for the Newport Maintenance Assessment District for a one year period beginning July 1, 2006 through June 30, 2007, in accordance with the San Diego Municipal Code Section 65.0212. A copy of the Maintenance Agreement for the Newport Maintenance Assessment District is on file in the Office of the City Clerk;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$8,098 from Fund No. 70241, for administrative costs incurred by the Ocean Beach Main Street Association in the course of providing services under the Maintenance Agreement for the Newport Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S500: (Continued)

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$3,500 from Fund No. 70241 to Fund No. 70267, for administrative costs incurred by the City in the course of providing administrative services to the Newport Maintenance Assessment District, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$195,495 from Fund No. 70267, for administrative costs incurred by the City in the administration of the Adams Avenue, Central Commercial, City Heights, College Heights, Little Italy and Newport Avenue Maintenance Assessment Districts for Fiscal Year 2007, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are available.

STAFF SUPPORTING INFORMATION:

The San Diego Municipal Code allows non-profit corporations to administer MADs when an assessment weighted majority of district property owners support the selection of a particular non-profit corporation for their district. The San Diego Municipal Code Section 65.0212 paragraph (b)(2), authorizes the City Council to approve a one year Agreement with non-profit corporations to administer the Contracts for Goods and Contracts for Services in Maintenance Assessment Districts ("MADs"). The property owner selected non-profit corporations ("Associations") have satisfactorily managed their annual Agreements since the inception of each MAD and wish to continue their contract with the City from July 1, 2006 through June 30, 2007. This action will authorize the Mayor to execute Agreements between the City and the Associations for a period of one year beginning on July 1, 2006 and ending on June 30, 2007. The Agreements provide the following:

1. The Associations will administer Contracts for Goods and Contracts for Services and prepare financial statements for their respective Districts as provided for in the Maintenance Assessment District Ordinance, Landscape and Lighting Act of 1972, and as set forth in the Assessment Engineer's Report for the Adams Avenue, Central Commercial, City Heights, College Heights, Little Italy, and Newport Maintenance Assessment Districts.
2. The Associations will perform all duties as set forth in each of their respective Agreements under Article I, Section B, referred to as Specific Requirements.

ADOPTION AGENDA, CONSENT ITEMS (Continued)RESOLUTIONS: (Continued)

* ITEM-S500: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

3. The Associations will be compensated for administration in an amount not to exceed 15% of the total approved assessments for FY07. Projected total annual assessments for the following Maintenance Assessment Districts in FY07 are \$7,347,578.

This action will also authorize the transfer of \$195,495 to Fund 70267 to fund City administration (by the Economic Development Division of the City Planning and Community Investment Department) of the Adams Avenue, Central Commercial, City Heights, College Heights, Little Italy, and Newport Avenue self-managed MADS as well as the Downtown Property & Business Improvement District (PBID) for Fiscal Year 2007. Additionally, this action authorizes the expenditure of funds, in an amount not to exceed \$195,495 in Fiscal Year 2007, from Fund 70267 for the administration of the above referenced self-managed MADs and PBID by the Economic Development Division. City administrative fees in self-managed maintenance assessment districts range from a minimum of \$3,500 to a maximum of 4% of total assessments and will be used to fund engineering, auditing, payment processing, budgeting and other services related to the administration of each district.

<u>District</u>	<u>Assessment Amount</u>	<u>Non-Profit Administration Fee</u>	<u>City Administration Fee</u>
Adams Avenue MAD	\$ 50,200	\$ 7,530	\$ 3,500
Central Commercial MAD	\$ 218,536	\$ 32,780	\$ 8,741
City Heights MAD	\$ 302,095	\$ 45,314	\$ 12,084
College Heights MAD	\$ 274,189	\$ 41,128	\$ 10,968
Little Italy MAD	\$ 667,546	\$100,132	\$ 26,702
Newport MAD	\$ 53,986	\$ 8,098	\$ 3,500
Downtown PBID	\$5,781,026	N/A	\$130,000
Total	\$7,347,578		\$195,495

FISCAL CONSIDERATIONS:

Under the terms of the agreement, the City will be reimbursed \$195,495 for administrative services.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This is an annual process, the previous Council action was taken in August of 2005, to approve the MAD agreements with the respective non-profit business associations.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S500: (Continued)

STAFF SUPPORTING INFORMATION: (Continued)

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Each district holds regular meetings and publishes regular newsletters which are distributed to the property owners in the respective MADs.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders are the business community and the property owners within the self managed districts.

Anderson/Waring

Aud. Cert. 2700070.

Staff: Luis E. Ojeda - (619) 533-4246

Alex W. Sachs - Deputy City Attorney